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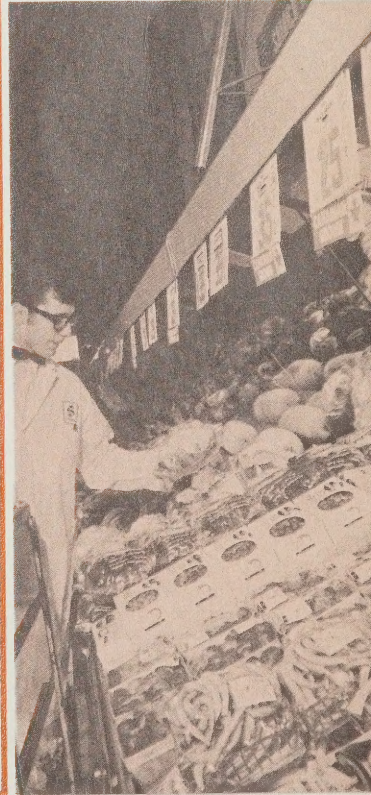
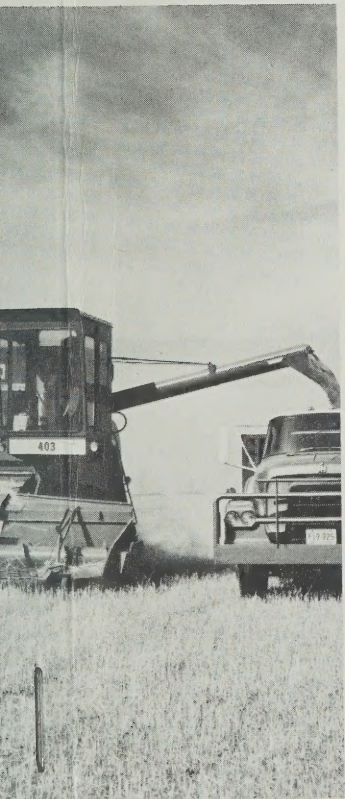
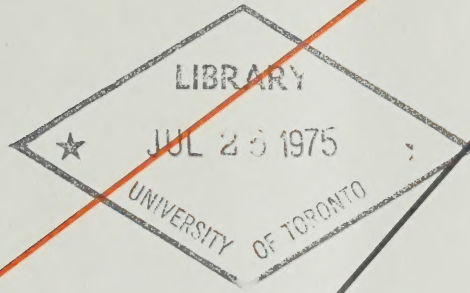
BEEF CATTLE

AND

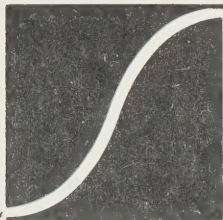
HOG OUTLOOK

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BEEF CATTLE AND HOG OUTLOOK

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THE CASTLE AND THE OUTLOOK



F O R E W O R D

Beef Cattle and Hog Outlook is part of a continuing program to provide outlook information to farmers and others in the Canadian food system. It is basically an updating of information presented at the Canadian Agricultural Outlook Conference last January. A further update is expected in the fall.


Appreciation is extended to Statistics Canada, the Production and Marketing Branch of this Department, and the Department of Industry, Trade and Commerce for their co-operation.

G.J. Dobson,
Director,
Marketing and Trade Division,
Economics Branch,
Agriculture Canada,
June, 1975.

CATTLE AND BEEF

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CATTLE AND BEEF

In both Canada and the U.S., the beef industry was dominated by a sharp rise in slaughter of cattle and calves during early 1975. Through the spring, cattle slaughter has dropped back, although remaining above a year ago. In both countries, cattle and calf slaughter supplies are potentially large for the next several months. Depending on grass and market conditions, slaughter supplies may fluctuate widely.

SUPPLIES: 1975 SLAUGHTER UP TO MAY END

Federally inspected cattle slaughter in Canada^{1/} in 1974 was four percent (two percent on a weight basis) higher than in 1973 while in the U.S. it was up nine percent (eight weight basis) (Table 1). In both countries, this higher plateau of cattle slaughter continued into 1975, averaging substantially above 1974 levels. In Canada, to May 31, 1975, compared to the same period in 1974, the increase in slaughter was 13 percent and on a weight basis about 12 percent.

TABLE 1. FEDERALLY INSPECTED CATTLE SLAUGHTER, CANADA^{a/} - U.S.A.

	1974		1975 (to May 31)	
	Slaughter 000 head	% Change from 1973	Slaughter 000 head	% Change from same period 1974
British Columbia	57.6	+25	28.6	+53
Alberta	1,135.7	+ 2	562.7	+18
Saskatchewan	171.1	+ 6	68.0	+ 1
Manitoba	455.5	+ 5	203.2	+10
WEST	1,819.9	+ 4	862.5	+15
Ontario	1,021.5	+ 6	453.3	+ 6
Quebec	165.7	-	76.3	+34
Maritimes	37.6	- 1	19.5	+44
EAST	1,224.8	+ 5	549.1	+10
CANADA	3,044.7	+ 4	1,411.6	+13
UNITED STATES	33,318.9	+ 9	14,725.8	+11
North America	36,363.6	+ 9	16,137.4	+11

a/ Gradings in federally and provincially inspected plants.

^{1/} In 1974, commercial cattle slaughter (inspected plus uninspected) in Canada on a head and weight basis increased 6.4 and 4.6 percent.

In the U.S., the increase to May 31, 1975, was 11 percent on a head basis and approximately seven percent on a weight basis. (In Canada, however, if the 27,283 head (66,493 in 1974) of live U.S. slaughter cattle imports to May 31, 1975, were subtracted, then Canada's slaughter of domestic origin on a head basis was 17 percent above the same period of 1974.

CALF SLAUGHTER UP IN 1975

The slaughter of calves in 1974, and especially in 1975, has also risen sharply in Canada for the first time since 1965 (Figure 1). To May 31, 1975, the slaughter of calves under federal inspection totalled 291,107 head, up 83 percent, of 132,125 head, from the similar period in 1974. In the U.S., the 1975 increase in federally inspected calf slaughter for the same period was 60 percent, or more than half a million head. The increase in calf slaughter in part reflects the larger number of calves on farms, but possibly more important reflects the impact of feeding costs on the volume of calves being held for further feeding.

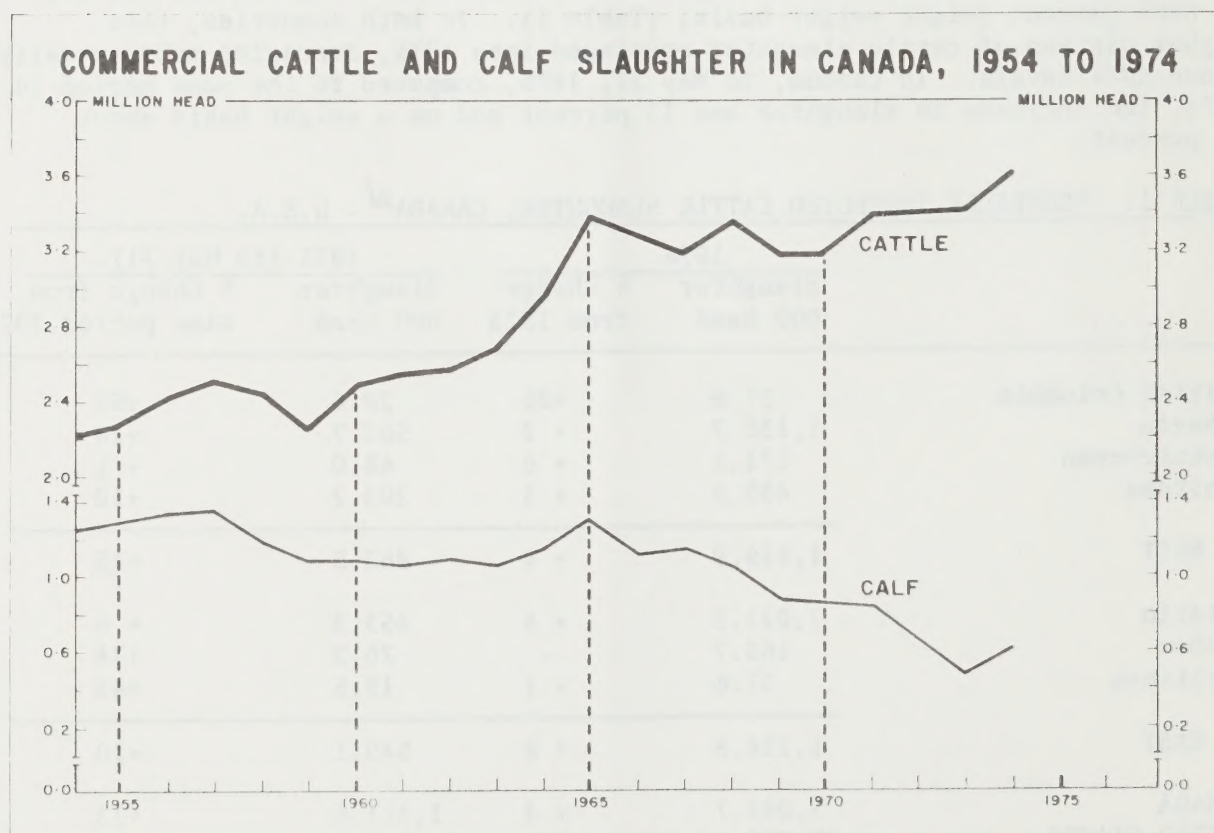


Figure 1

SLAUGHTER WEIGHTS DROP

Since the summer of 1974, carcass weights of cattle slaughtered under federal inspection have averaged considerably below year-ago levels in Canada. Warm carcass weights averaged consistently lower until March and April 1975 when the average weight was higher than levels in July 1974. In May 1975, the average fell back to a level equal to that in July 1974.

CANADA. AVERAGE WARM CARCASS WEIGHTS OF CATTLE UNDER FEDERAL INSPECTION

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1973	569	572	573	573	567	565	570	569	577	583	578	575
1974	575	571	574	585	575	572	562	555	557	558	545	538
1975	551	549	570	569	562							

From July 1974 to the end of February 1975, the lower average carcass weight in Canada is related to: the sharp increase in female slaughter beginning in August, 1974, a reduction in imports of heavy slaughter cattle from the U.S. and relatively fewer grain-finished animals as a proportion of total slaughter.

In the U.S., carcass weights have averaged sharply below year-ago levels since September 1974. The decrease is associated with a sharp decrease in feedlot finishing of cattle together with increased slaughter of female cattle.

FEMALE SLAUGHTER INCREASES

In North America, the sharp increase in female slaughter that began in 1974 is a producer response to low feeder cattle prices. These low prices are the result of the large increase in the breeding herd that began in the late 1960's creating an over-supply of feeder cattle. The lower feeder cattle prices were also due to hardship in the feedlot sector which was hampered by high feed costs and lower slaughter cattle prices.

In Canada, beginning in August 1974, female slaughter increased sharply from year-earlier levels, with heifer slaughter showing the greatest increase (Table 2). The rise in female slaughter continued into 1975 and to May end, cow slaughter, compared to the first five months of 1974, was up 26 percent, and heifer slaughter up a startling 55 percent. The dramatic increases in heifer and cow slaughter have occurred proportionately in Eastern and Western Canada. In the U.S. federally inspected slaughter of cows and heifers to April end 1975 was up 36 and 20 percent, respectively, from a year earlier.

Steer slaughter in 1974 was virtually the same as in 1973, and to May end this year was down three percent from 1974. However, assuming the majority of U.S. live slaughter cattle imports are steers, then Canada's steer slaughter of domestic origin is probably up about two percent to May end 1975 compared to one year ago. U.S. steer slaughter to April end 1975 has remained virtually the same as in the corresponding period in 1974.

TABLE 2. CANADA: MONTHLY PATTERN OF FEDERALLY INSPECTED FEMALE SLAUGHTER

COWS					HEIFERS			
	% Change		% Change		% Change		% Change	
	1974	from 1973	1975	from 1974	1974	from 1973	1975	from 1974
	000 hd.		000 hd.		000 hd.		000 hd.	
Jan.	51.7	- 2.6	60.5	+17.0	42.8	-11.2	83.8	+95.8
Feb.	50.4	+ 3.3	59.7	+18.5	45.0	-10.8	74.2	+65.0
March	46.8	-24.0	59.4	+27.0	55.0	- 3.0	83.1	+50.9
April	31.8	-14.8	46.6	+46.5	41.2	+ 9.9	54.1	+31.3
May	35.4	-14.4	45.8	+29.3	+41.4	- 2.6	54.1	+30.8
June	35.2	-30.4			50.9	-12.3		
July	28.5	-22.9			45.5	- 0.1		
Aug.	38.3	-17.3			64.0	+50.6		
Sept.	63.4	+14.8			80.8	+84.5		
Oct.	62.6	+22.8			52.7	+26.3		
Nov.	78.6	+24.8			64.6	+49.7		
Dec.	78.2	+20.2			72.4	+70.4		
	600.9	- 1.5	(272.0) ^{1/}	(+26.0) ^{1/}	656.3	+18.8	(349.3) ^{1/}	(+55.0) ^{1/}

^{1/} January to May 24, 1975 and percent change from same five months of 1974.

Source: Markets Information Services, Agriculture Canada.

Canada's increase in female slaughter followed a period when total female slaughter was relatively low because of the expansion in the beef breeding herd.

From 1970 to 1974, cow slaughter in Canada averaged 604,860 head per year and accounted for about 21 percent of total inspected slaughter. This compares to a yearly average of nearly 775,000 head or 28.5 percent of slaughter during the 1965-68 period (Figure 2).

The sharp increase in heifer slaughter to May 24, 1975 has caused its proportion of total slaughter to increase to 26.5 percent. While cow slaughter also increased sharply to May end 1975, compared with the same months in 1974, its proportion of total slaughter remains virtually unchanged at 20.6 percent.

1975 CATTLE INVENTORIES UP

Statistics Canada annual estimates of cattle inventory as of January 1, 1975, indicate a considerable increase in beef and veal output can be expected for the year 1975. The estimated number of cattle and calves on Canadian farms and ranches was 14,018 thousand head, up six percent or 808 thousand head from the same date one year ago (Table 3).

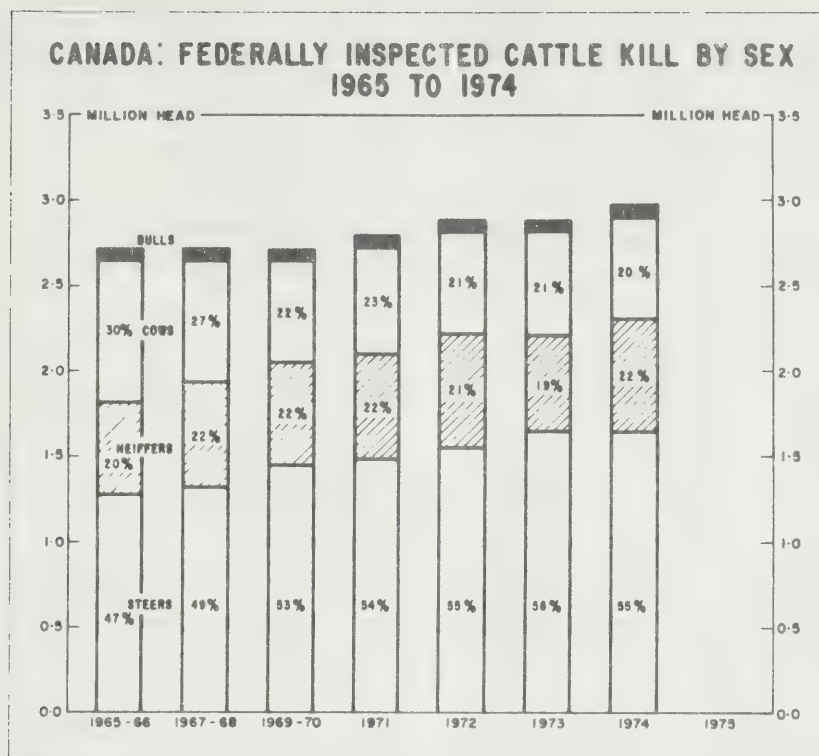


Figure 2

TABLE 3. CATTLE INVENTORIES ON FARMS, CANADA AND THE UNITED STATES

	CANADA				U.S.A.			
	January 1		Change		January 1		Change	
	1974	1975	Absolute	%	1974	1975	Absolute	%
- 000 head -								
Beef cows	3,973.1	4,228.3	+255.2	+ 6	43,008	45,421	+2,413	+ 6
Dairy cows	2,051.0	2,085.0	+ 34.0	+ 2	11,286	11,217	- 69	- 1
Total cows	6,024.1	6,313.3	+289.2	+ 5	54,294	56,638	+2,344	+ 4
Beef heifers	1,168.4	1,174.4	+ 6.0	+ 1	8,226	8,879	+ 653	+ 8
Dairy heifers	474.4	514.9	+ 40.5	+ 8	3,942	4,095 ^{1/}	+ 153	+ 4
Total heifers	1,642.8	1,689.3	+ 46.5	+ 3	18,988 ^{1/}	19,482 ^{1/}	+ 494	+ 3
Steers	1,332.4	1,449.4	+117.0	+ 9	17,802	16,378	-1,424	- 8
Calves	3,993.7	4,327.3	+333.6	+ 8	33,942	36,342	+2,400	+ 7
Bulls	217.0	238.7	+ 21.7	+10	2,645	2,987	+ 342	+13
Total Cattle & Calves	13,210.0	14,018.0	+808.0	+ 6	127,670	131,826	+4,156	+ 3

^{1/} Includes heifers for slaughter and cow replacements.

Source: Statistics Canada, Ottawa, and U.S.D.A., Washington.

In the U.S., the total inventory increase from January 1, 1974, to January 1, 1975, was three percent or 4.2 million head. In both countries, the sharp inventory increases during 1974 were a continuation of the strong upward trend in numbers of cattle on farms that began about 1970 (Figure 3).

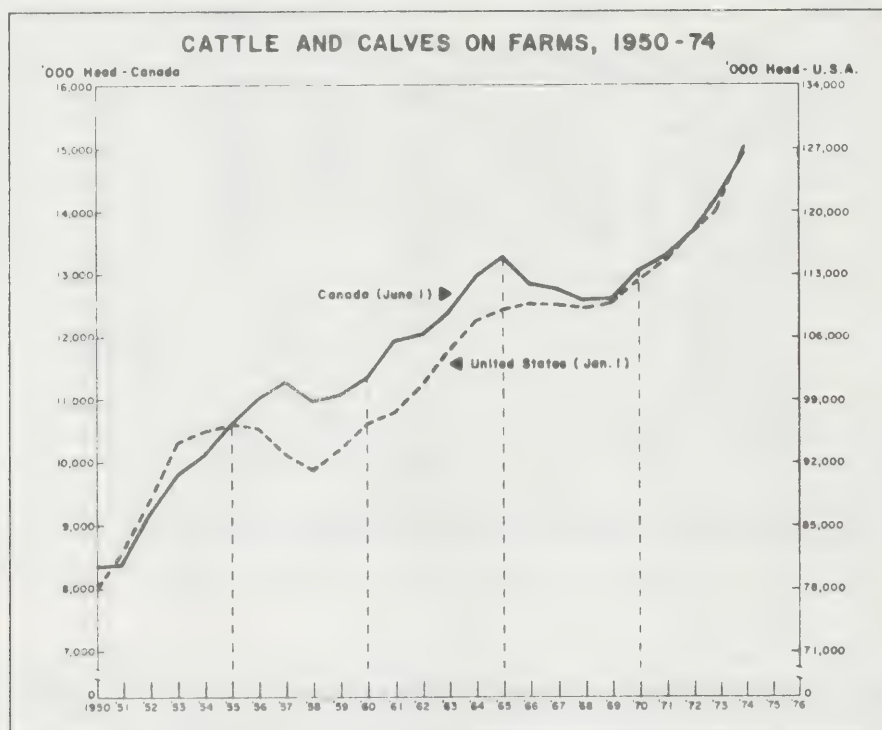


Figure 3

CANADA'S SLAUGHTER TO REMAIN ABOVE 1974

A review of the changes in inventory classes from January 1, 1974 to the beginning of 1975 is especially important as an indicator of forthcoming beef and veal supplies in Canada.

Statistics Canada estimates that the total number of animals potentially available for slaughter for the year 1975 is up substantially from the same date one year ago (Table 4). From January 1, 1974 to January 1, 1975, total cow numbers on farms increased by 289,200 head and from January 1 to May end 1975, cow slaughter has increased by 49,599 head from January-May 1974, for an estimated 239,601 head left on farms. There was also a large increase in the number of calves (333,600) under one year old, and although calf slaughter to May end 1975 has increased 125,221 head from the same five months of 1974, a substantial residual number still remains on farms in Canada. The drop in steer slaughter to May 24 this year was related to fewer imports of live U.S. cattle for slaughter in 1975 (to May end, 27,283 head in 1975 and 66,493 head in 1974). However, there was a large estimated residual of 132,873 head on farms at the end of May this year.

TABLE 4. CANADA: CHANGES IN CATTLE INVENTORY CLASSES AND F.I. CATTLE
SLAUGHTER BY CLASS

Class	Increase in No. (Jan. 1, 1974 to Jan. 1, 1975) ^{1/}	Change in F.I. Kill (Jan. 1 to May 24, 1975 over 1974) ^{2/}	Estimated Residual To May End
	- Number -		
Total cows	+289,200	+ 49,599	+239,601
Total Heifers	+ 46,500	+118,813	- 72,313
Steers	+117,000	- 15,873	+132,873
Calves	+333,600	+125,221	+208,379
Bulls	+ 21,700	+ 3,660	+ 18,040
TOTAL	+808,000	+281,420	+526,580

^{1/} Statistics Canada.

^{2/} Markets Information Services, Agriculture Canada; (the month of May includes the four-week period ending May 24, 1975).

The smaller inventory increase in total heifer numbers reflects the sharp increase in heifer slaughter during August-December 1974, of 103,700 head, over the same period of 1973, plus a rapid build-up in cow numbers during 1974.

On this basis, and assuming Canada's inventory estimates are in line, the total estimated residual of cattle and calf numbers on farms at the end of May (526,580), excluding the 1975 calf crop, strongly indicates a potential for a further sizeable increase in Canada's cattle and calf slaughter during the balance of 1975. However, the increase in cattle slaughter, especially during the grazing period, can be expected to be somewhat less than the dramatic increase of over 14 percent during the first five months of 1975. Calf slaughter for the balance of 1975, compared with the last half of 1974, can also be expected to remain at high levels. During the grazing period, increases in cow slaughter in Eastern Canada may not be as great as during the past winter, because of good grass conditions, low cow prices, and improved milk prices. In the West, cow slaughter will also moderate provided good grazing conditions are maintained, but by late summer when grass is in short supply and a large 1975 calf crop is marketed, greater increases in female slaughter will probably return.

U.S. SLAUGHTER TO REMAIN LARGE

To the end of May 1975, inspected cattle slaughter in the U.S. was up about 11 percent from the same period in 1974. However, weekly slaughter has dropped substantially from over 700,000 head in January-February to about 640,000 head in May. According to the U.S.D.A., "cattle slaughter supplies are potentially large for the balance of 1975". While a smaller proportion of slaughter will come out of feedlots, a much larger number -of cattle outside of feedlots have "no timetable for slaughter". The critical factor affecting 1975 U.S. beef

output will be summer-fall weather conditions. The U.S.D.A in June estimated that commercial cattle slaughter for the July-September quarter and the October-December quarter will be up about 10 and six percent, respectively, from the same quarters of 1974. On a weight basis, beef output is expected to be up about eight percent in the last half of 1975.

CATTLE PRICES

In Canada, slaughter cattle prices dropped during the past winter reflecting a sharp increase in slaughter but during spring as slaughter dropped below winter levels, prices made a strong recovery. For the last half of this year cattle prices may fluctuate widely depending on grass and market conditions. Summer price strength can be expected to be followed by price weakness in the fall.

CATTLE PRICES STRENGTHEN

In Canada, cattle prices dropped sharply from January to March this year but made a strong recovery beginning in late April (Table 5). In the U.S., prices were at low levels from January to March but in late March made a strong recovery. In February, cattle slaughter in Canada and the U.S. was up 27 and 21 percent, respectively, from the same month in 1974, but in May the increase in Canada dropped to 5.6 percent (federally and provincially inspected) and an estimated 3.4 percent (federally inspected) in the U.S. This, along with more retail promotion of beef and lower pork and poultry meat supplies, helped boost slaughter steer prices sharply during May 1975.

TABLE 5. PRICES FOR A1, A2 STEERS CANADA, AND CHOICE STEERS OMAHA

	CALGARY		TORONTO		OMAHA		TORONTO OVER OMAHA		CALGARY OVER OMAHA	
	1974	1975	1974	1975	1974	1975	1974	1975	1974	1975
	Can. \$/cwt.				U.S. \$/cwt.		\$/cwt.			
Jan.	51.32	43.11	51.78	48.45	47.68	36.27	+ 4.10	+12.18	+ 3.64	+6.84
Feb.	49.45	37.12	51.01	41.58	46.12	34.80	+ 4.89	+ 6.78	+ 3.33	+2.32
Mar.	43.90	37.21	44.51	39.94	42.36	36.08	+ 2.15	+ 3.86	+ 1.54	+1.13
April	44.64	38.22	45.88	40.64	41.18	43.01	+ 4.70	- 2.37	+ 3.46	-4.79
May	47.54	47.95	47.49	48.70	40.04	49.66	+ 7.45	+ 0.90	+ 7.50	-1.65
June	47.00		47.91		37.33		+10.58		+ 9.67	
July	49.97		52.53		43.98		+ 8.55		+ 5.99	
Aug.	49.01		52.77		47.23		+ 5.54		+ 1.78	
Sept.	48.69		51.91		41.41		+10.50		+ 7.28	
Oct.	47.75		49.88		39.75		+10.13		+ 8.00	
Nov.	50.35		53.32		38.04		+15.28		+12.31	
Dec.	48.44		50.97		37.05		+13.92		+11.39	
AVE.	47.92		49.37		41.82		+ 7.55		+ 6.10	

Since the late summer of 1973, slaughter cattle prices in Canada widened to a level over U.S. prices that was somewhat in contrast to past relationships. (Figure 4). The comparatively wider price spread was related to a number of factors: the market disruptions due to the U.S. price ceiling on meat during 1973; the temporary import surtax from November 2, 1973 to February 10, 1974; the announcement on April 9, 1974 by the Canadian Government of a certification program to ensure that beef entering Canada was free of the hormone DES; and the introduction of quotas^{1/} on live slaughter cattle and dressed beef products, August 12, 1974.

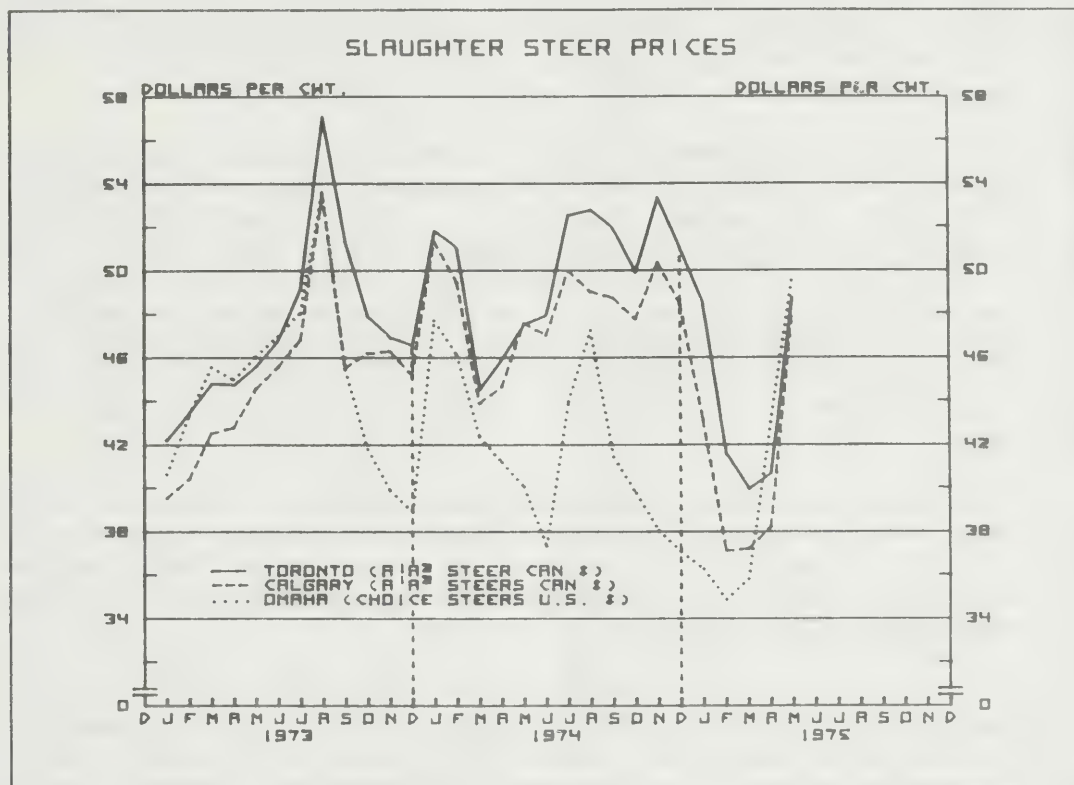


Figure 4

Prior to the fall of 1973, Canadian fed cattle prices when on an "import basis" averaged in the range of \$4-\$5 per cwt at Toronto above U.S. fed cattle prices. Recent border regulations, however, have prevented the U.S. market from setting a comparable "ceiling price" for fed cattle prices in Canada, thus allowing Canadian prices at times to move well above U.S. cattle prices. However, Canada's quarterly import quota for U.S. slaughter cattle does in effect mean a price ceiling prevails until the quarterly quota is filled. On the other hand, the implication of the announcement of beef quotas by the U.S. Government on November 16, 1974, means that U.S. cattle prices no longer act as a "floor price" for slaughter cattle prices in Canada as reflected by the relationship of slaughter steer prices during April-May 1975. (For more details on Canada's foreign trade in beef and veal, see Appendix A).

^{1/} The Canadian government announced a global import quota effective August 12, 1974, to August 11, 1975 of 82,035 head of live beef cattle and 125.8 million pounds of beef and veal equivalent to the preceding five-year average of imports. The quota is established on a quarterly basis with each quarter not to exceed 30% of the annual quota.

PRICE PROSPECTS UNCERTAIN FOR BALANCE OF 1975

With respect to forthcoming cattle prices in Canada, very little is certain. While potential supplies are large, the pattern of cattle marketing is very uncertain and will be greatly influenced by weather conditions during the next few months, and by feed grain prices. In addition beef output in the very short-run has always been the most uncertain part of the meat supply, because if conditions are depressed, a beef producer has more flexibility in selling cattle in various weight ranges compared with more rigorous weight ranges for hogs and chickens. Moreover, what happens to present trade constraints on live cattle and dressed beef between Canada and the U.S., will influence cattle prices in Canada.

In Canada, the difference between A1 and A2 steer prices and cow prices widened rapidly during May reflecting the relative supply of steer and heifer beef and supplies of cow beef, and boneless beef prices. For the month of April, A1 and A2 steer prices at Toronto averaged \$40.64 and D1 and D2 cows \$26.23 per cwt. For the week ending June 7, A1 and A2 steers had increased to \$50.00 but D1 and D2 cows averaged \$25.00 per cwt. For the four-week period ending May 31 of this year, cattle slaughter in the "A" grade averaged 39,800 head weekly, compared with 44,612 head during January-April 1975, a decrease of 11 percent. Since February, however, all classes of cattle have risen in price (Figure 5).

Feeder cattle prices at Edmonton have also strengthened in line with the price increase in A1 and A2 steers, rising from a low average of \$31.88 in February to 37.50 for the week of June 7th. In recent weeks feeder cattle prices in Canada and the U.S. have moved closer together (Figure 6) in line with the trend in fed cattle prices.

Provided good grazing conditions prevail, and the sharp reduction in pork output continues, the fed cattle price strength of May and early June can be expected to continue through the summer months when beef demand is seasonally stronger, followed by a drop in prices again in early fall. Feeder cattle prices will reflect the movement of fed cattle prices as well as changes in feed grain prices. On the other hand, a depressed international market for boneless beef will continue to temper cow prices.

In the U.S., choice steer prices at Omaha during early June 1975 were about \$51.00 per cwt., up over \$15.00 from the February low. The strength in prices of fed cattle in the U.S. was basically due to a scarcity of grain-finished cattle for slaughter. U.S. feeder cattle prices have also moved higher with the increase in fed cattle prices, rising from a low of \$26.50 in January to about \$36.00 in early June, for Choice 600-700 pound feeders at Kansas City. The price of slaughter cows at Omaha has also improved--from a low of \$16.82 for Utility cows in January to about \$24.00 per cwt. in late May.

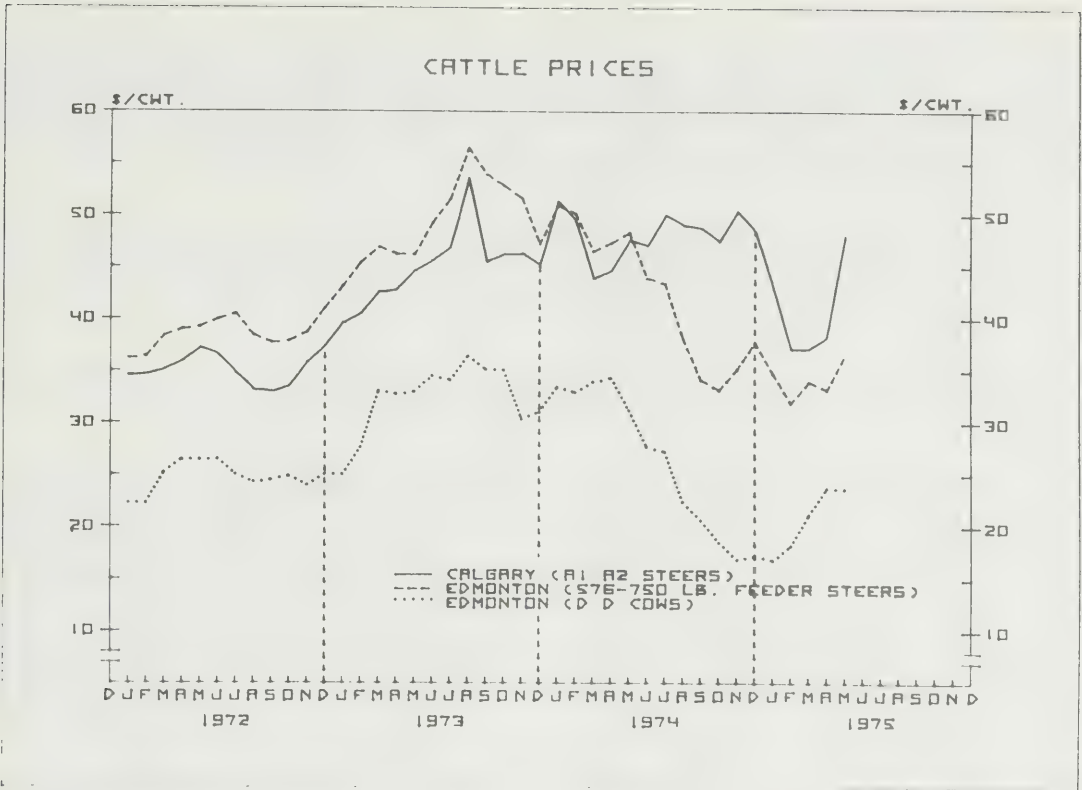


Figure 5

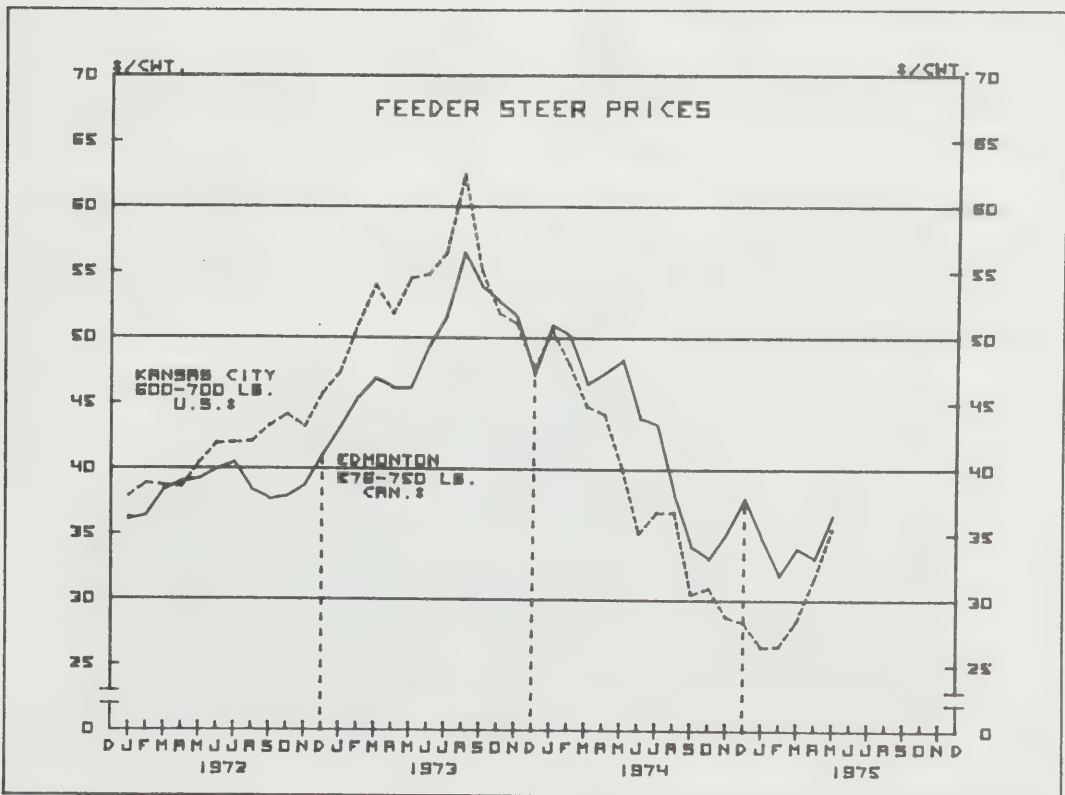


Figure 6

The U.S.D.A. estimates choice steer prices at Omaha will average in the \$42-\$44 range in the July-September quarter and in the \$39-\$41 range in the last quarter. Cow prices and feeder cattle prices are expected to move in the same manner, but remain above depressed levels of last winter.

In the longer term, the length as well as the intensity of the present production adjustments in the beef industry are topics of increased concern. Furthermore, predicting the length of the present unfavourable stage of the cattle cycle is difficult.

Record 1975 calf crops expected in both Canada and the U.S. will add to the beef production potential during the next couple of years.

In Canada, the total number of cattle and calves slaughtered in 1975 would have to increase, over 1974, by well over 20 percent in order to stabilize the total inventory of cattle and calves on farms next January 1st. According to the U.S.D.A, total cattle and calf slaughter would have to increase 15 percent in 1975 to stop the growth in their total herd inventory. However, at this time it appears somewhat doubtful that total cattle and calf slaughter will show a large enough increase for 1975 to level off inventories on farms next January 1 in either country, especially Canada, unless severe weather and poor grass conditions occur.

The fluctuations in beef output and cattle prices have dominated the beef industry for many years. The current adjustments and financial hardships have been relatively more severe compared with past cattle marketing peaks such as those that occurred in the 1950's and again in the mid-1960's (Figure 7). During this stage of increased slaughter, the North American beef producer has been hampered by a severely depressed international beef situation, escalating feed grain prices, general inflation and trade restrictions on beef and veal in several countries. However, if the past is any indication, the cattle industry, which is international in scope, will once again stabilize.

In both Canada and the U.S., supplies of beef have been moving through marketing channels at record levels in recent months. In both countries, per capita consumption of beef in 1974 was the largest on record, averaging 94.7 pounds in Canada, and 116.3 pounds in the U.S (Figure 8). Further sizeable gains can be expected in 1975.

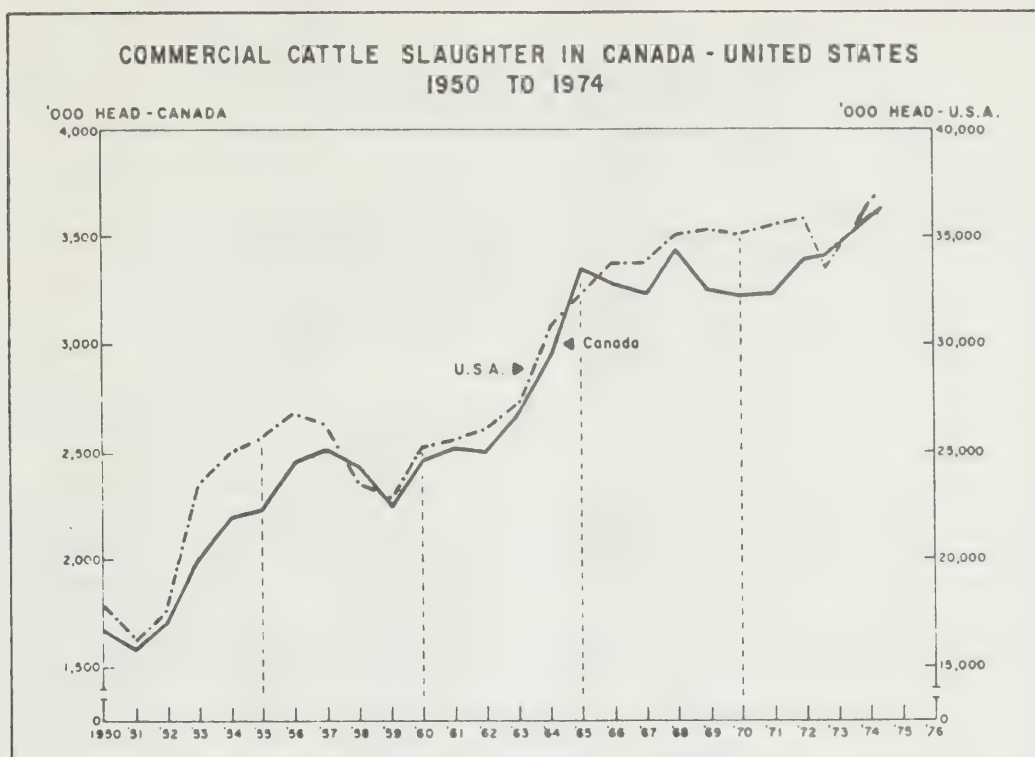


Figure 7

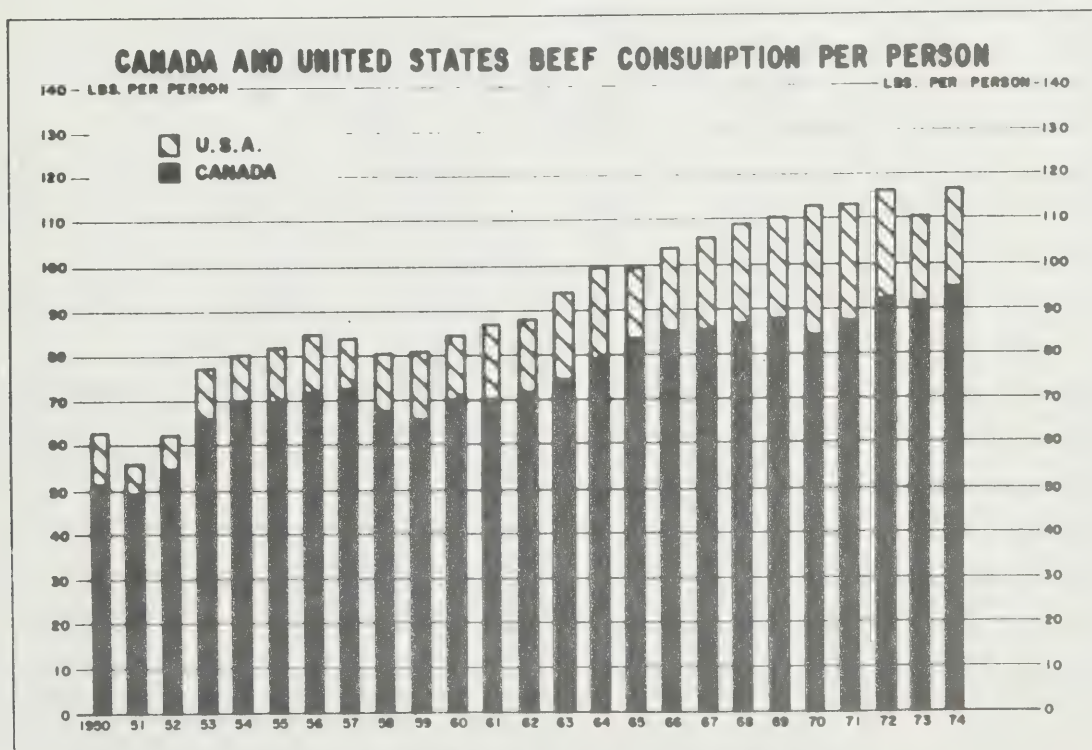


Figure 8

HOGS AND PORK

In Canada and the U.S., hog slaughter to May end 1975 averaged sharply below 1974. In both countries, the current downswing in hog marketings will continue into 1976.

SUPPLIES: 1975 SLAUGHTER DOWN TO MAY END

Hog slaughter in Canada and the U.S. in 1974 was up 2.5 and 7.2 percent, respectively, from 1973 (Table 1). The increase in Canada's hog slaughter from 1973 levels ended in September 1974, after an upswing of one year. In the last quarter of 1974, hog slaughter in Canada was down two percent from the last quarter of 1973 and this decrease in slaughter continued into 1975. For the 1975 January-May 31 period, slaughter in Canada was down 13.5 percent and in the U.S. the federally inspected kill was estimated to be down 10 percent from the same period in 1974. Because of lighter carcass weights in the U.S., pork output in 1975 is down more than 10 percent while in Canada carcass weights have been averaging about 1.6 pounds below 1974.

TABLE 1. CANADA: ORIGIN OF HOG CARCASSES GRADED BY PROVINCE

	1973	1974	Change 1974/73	January-May 31		
				1974	1975	Change 1975/74
	- 000 head -	- 000 head -	- percent -	- 000 head -	- 000 head -	- percent -
Atlantic Prov.	319.6	309.1	- 3.3	143.6	130.1	- 9.4
Quebec	1,910.9	2,278.4	+19.2	951.1	1,021.6	+ 7.4
Ontario	2,748.4	2,768.0	+ 0.7	1,254.2	1,138.0	- 9.3
TOTAL EAST	4,978.9	5,355.5	+ 7.6	2,348.9	2,289.7	- 2.5
Manitoba	1,221.2	1,188.3	- 2.7	544.1	429.8	- 21.0
Saskatchewan	1,072.8	1,028.6	- 4.1	535.2	312.7	-41.6
Alberta	1,717.6	1,626.8	- 5.3	777.1	599.4	-22.9
British Columbia	50.3	70.3	+39.8	27.7	30.7	+10.9
TOTAL WEST	4,061.9	3,914.0	- 3.6	1,884.1	1,372.6	-27.1
Canada	9,041.2	9,269.5	+ 2.5	4,233.0	3,662.3	-13.5
Live Exports ^{1/}	60.0	128.7	+114.5	55.8	3.4	-93.9
United States	72,260.0	77,467.8	+ 7.2	33,205.8 ^{2/}	29,885.8 ^{2/}	-10.0

^{1/} To the United States only.

^{2/} Preliminary.

Source: Markets Information Section, Agriculture Canada.

Influenced by a sharp increase in Quebec of over seven percent, hog slaughter in Eastern Canada to May 31 was down only 2.5 percent from the same period in 1974, but in Western Canada the decrease was 27 percent, with Saskatchewan showing the greatest decrease. Live hog exports to the U.S. are sharply below the 1974 level mainly because of U.S. import quotas and on the year-to-date stronger hog prices in Canada than in the United States.

The reduction phase in hog breeding inventories began during the sharp drop in hog prices from the fall of 1973 to the late spring of 1974. This drop in hog prices together with the dramatic rise in feed grain prices, made the cash grain market a more profitable alternative, especially to many hog-feed grain producers in Western Canada and the U.S. mid-west.

HOG INVENTORIES DECLINE IN 1975

Statistics Canada, on April 1, 1975, estimated hog numbers on Canadian farms at 5,602,500 head, down 20 percent from April 1, 1974. The number of breeding animals was 16 percent below year-earlier levels, with an 18-percent reduction in the West and a six-percent decrease in the East. Statistics Canada also indicated farrowing intentions for the 1975 April-June, and July-September periods, were down 11 and two percent, respectively, from the same quarters in 1974.

The U.S.D.A. March 1, 1975, Report on Hogs and Pigs, which covered 14 major hog-producing states, estimated there were 40.3 million hogs on farms in the U.S., 17 percent below the level of the same date in 1974. Breeding stock numbers showed a 20-percent drop and the number of hogs available for market were down 16 percent.

1975 SLAUGHTER TO REMAIN BELOW 1974

On the basis of the above inventory reports in both Canada and the U.S., producers have decided to market fewer hogs in 1975 compared with 1974, following a relatively short upturn in slaughter that began in Canada during the fourth quarter of 1974, and in the U.S. during the first quarter of 1974. While some uncertainty exists as to the exact level of decreases in forthcoming hog slaughter, a relatively large reduction from 1974 levels seems assured in both Canada and the U.S.

In Canada, hog slaughter (gradings) for the first half of 1975 is expected to average 13 to 14 percent below the first half of 1974 (Table 2). In the last half of 1975, hog slaughter is projected to average 11 percent below the last half of 1974. However, if gilts are withheld for breeding in large numbers, hog slaughter for the second half of 1975 will show a greater reduction than projected. By far the largest proportion of the Canadian decrease in hog slaughter will take place in Western Canada. For all 1975, national slaughter can be expected to average about 12 percent below the 1974 level. (For details see Appendix B "Quarterly Forecast of Hog Marketings, Economics Branch").

TABLE 2. PERCENT CHANGE IN HOG SLAUGHTER FROM THE SAME PERIOD OF THE PREVIOUS YEAR (CANADA - GRADING, THE U.S. - COMMERCIAL SLAUGHTER)

	EAST		WEST		CANADA		U.S.	
	Weekly Average	Change from Year Ago	Weekly Average	Change from Year Ago	Weekly Average	Change from Year Ago	Weekly Average	Change from Year Ago
	000	%	000	%	000	%	000	%
1970	96.7	+7	69.6	+30	166.3	+16	1,650	+ 2
1971	104.5	+8	90.0	+29	194.5	+17	1,816	+10
1972	98.6	-6	81.3	-10	179.9	- 7	1,629	-10
1973	95.8	-3	78.1	- 4	173.9	- 3	1,477	- 9
1974	103.0	+8	75.3	- 4	178.3	+ 3	1,573	+ 6
1975 Projected ^{1/}								
First Half	102.7	-3	60.6	-26	163.3	-13	1,431	-10
Second Half	94.4	-6	55.6	-19	150.0	-11	1,296	-15
YEAR	98.6	-4	58.1	-23	156.7	-12	1,364	-13

1/ Source of U.S. projection, U.S.D.A

In the U.S., commercial hog slaughter for the first half of 1975 was projected by the U.S.D.A. in April to average 10 percent below a year ago, and for the second half about 15 percent below the same period in 1974.

With respect to the timetable of the current reduction in Canada's hog slaughter, the average of the past six "downswings" from 1956 to 1974, was 5.3 quarters (about 16 months), with the 1972-73 reduction of seven quarters being the longest. If the current downswing in Canada's hog slaughter reflects the average, then slaughter will be below year-ago levels from October 1974 to February 1976.

HOG-FEED PRICE RATIOS IMPROVE

The hog-feed price ratio has traditionally been viewed as an indicator of the profitability of hog production and hence of forthcoming changes in pork output. Since the beginning of 1975, lower feed grain prices and stronger hog prices, especially in May, have increased the ratio to a level more favorable to hog producers in Canada and the U.S., compared to 1974 levels (Table 3). For the week ending May 31, 1975, the hog-barley price ratio in Canada increased to 20.4 to one, and in the U.S., the hog-corn price ratio increased to 16.6 to one^{1/}. For 1973, the respective ratios in Canada and the U.S. were at high levels during the first quarter and for the year averaged over 20 to one. This was followed in 1974 by increased hog slaughter in both countries compared to 1973.

1/ Barley and corn, respectively, are used to calculate hog-feed price ratios in Canada and the U.S.

TABLE 3. CANADA: HOG-BARLEY PRICE RATIO; U.S.: HOG-CORN PRICE RATIO

	Canada			United States		
	Hog-Barley Price Ratios ^{1/}			Hog-Corn Price Ratios ^{2/}		
	1973	1974	1975	1973	1974	1975
First Quarter	25.0	14.3	15.1	23.4	13.6	13.7
Second Quarter	21.1	12.1	16.7 ^{3/}	20.0	10.8	14.6 ^{3/}
Third Quarter	20.2	13.0		22.1	10.7	
Fourth Quarter	19.4	13.5		16.8	11.1	
YEAR	21.4	13.2		20.6	11.6	

^{1/} The number of bushels of No. 1 feed barley equivalent in price to the value of 100 pounds of Index 100 hogs live (Winnipeg basis).

^{2/} The number of bushels of No. 2 corn equivalent in price to the value of 100 pounds of barrows and gilts live (Omaha basis).

^{3/} To May 10.

Another indicator of forthcoming changes in pork output is the relationship of feeder pig prices to market hog prices. During 1974, feeder pig prices at Edmonton averaged \$3.45 per cwt. below the live price of Index 100 market hogs (Table 4). Since February 1975, feeder pig prices have exceeded the market price of Index 100 hogs for the first time in about two years.

TABLE 4. EDMONTON: FEEDER PIG PRICES (120-150 lb.): LIVE INDEX 100 HOGS^{1/}

	1974	1975				
	Average	January	February	March	April	May
\$/cwt. Live						
Feeder Pig Prices	31.54	38.48	43.81	40.97	41.31	52.50
Index 100 Prices	35.00	40.96	41.65	38.37	39.51	45.75
	- 3.45	- 2.48	+ 2.16	+ 2.60	+ 1.80	+ 6.75 ^{2/}

^{1/} Conversion rate of 78 percent from dressed to live weight.

^{2/} Preliminary.

HOG PRICE PROSPECTS

Hog prices dropped during the winter, made a strong recovery since April and to May end have averaged well above 1974 levels. Prices for the last half of 1975 will average above year-ago levels. Profits will be influenced by feed cost developments and the effect, on hog prices, of beef price developments.

HOG PRICES RISE IN 1975

For the year 1974, hog prices at Toronto and the seven U.S. markets averaged more than \$4.00 per cwt. (dressed) below 1973 (Table 5). The drop in slaughter hog prices was largely due to increased pork supplies, and reduced export markets^{1/}.

TABLE 5. TORONTO, MONTHLY AVERAGE PRICE FOR INDEX 100: SEVEN U.S. MARKETS
AVERAGE PRICE FOR ALL BARROWS AND GILTS

	Index 100 Toronto			Barrows, Gilts ^{1/} 7 U.S. Markets ^{1/}			Toronto over 7 U.S. Markets		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
	Can. \$/cwt.			U.S. \$/cwt.			\$/cwt.		
January	45.76	53.69	56.87	42.22	52.71	50.56	3.50	0.98	6.31
February	49.64	51.81	57.57	47.05	51.60	51.44	2.59	0.21	6.13
March	52.69	46.84	53.01	49.52	45.30	51.32	3.17	1.54	1.69
April	47.50	43.63	52.76 ^{2/}	46.18	39.64	52.84	1.32	3.99	-0.08
May	48.93	40.60	61.28 ^{2/}	47.21	33.88	60.31	1.72	6.72	0.97
June	50.50	42.51		50.06	35.58		0.44	6.93	
July	59.69	48.32		60.57	47.16		-0.88	1.16	
August	68.35	54.32		73.61	48.92		-5.26	5.55	
September	62.44	56.36		56.87	46.48		5.57	9.88	
October	58.74	55.92		54.70	50.52		4.04	5.57	
November	57.41	55.11		53.21	49.79		4.20	5.28	
December	57.08	57.47		51.68	51.86		5.40	5.62	
YEAR	54.66	50.29		52.30	46.12		2.36	4.19	

1/ .77 used when converting the U.S. hog price from a live to dressed basis.

2/ Preliminary.

Source: Markets Information Services, Agriculture Canada.

1/ See Appendix A for trends in Canada's pork trade.

In the first five months of 1975, Index 100 hog prices at Toronto averaged about \$56.40 per cwt., dressed, and prices of barrows and gilts at the seven U.S. markets averaged \$53.15 per cwt. dressed. These prices were almost \$9.00 per cwt. above the same period in 1974 in both countries. However, in May 1975, hog prices in both countries showed a sharp seasonal increase with Toronto averaging \$61.28 per cwt. and the seven U.S. markets \$60.31 per cwt. dressed. During the January-May 1975 period, hog prices in Canada fluctuated more widely than U.S. prices--dropping at Toronto by over \$4.00 per cwt. from January to April and then increasing sharply by \$9.00 per cwt. to an average of \$61.28 in May for 100 Index hogs. The sharp rise in prices during May reflected a continued decline in hog slaughter and sharply higher cattle prices.

The drop in hog prices at Toronto from January to April 1975 reduced the price differential between the two countries. Unlike Canada, the U.S. market showed no seasonal price weakness, which normally occurs in the spring. Since the placing of border controls on Canadian hogs and pork by the U.S. on November 16, 1974, the possibility has existed for Canadian hog prices to fall below U.S. prices if warranted by relative supply and demand conditions in the two countries. (Figure 1).

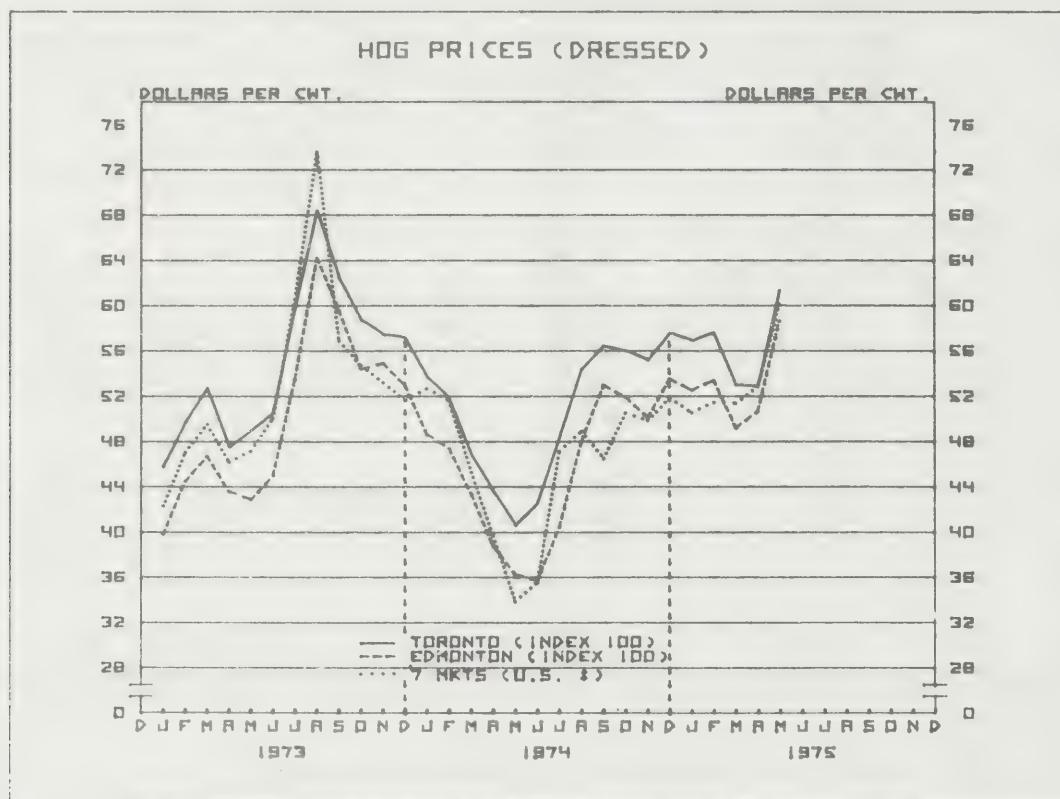


Figure 1

HOG PRICES TO REMAIN ABOVE 1974

In Canada, strong hog prices during the summer months are in prospect while some seasonal weakness is likely next fall. Prices at Toronto for the July-December 1975 period will probably average at least \$5.00 per cwt. dressed above the 1974 last-half average of nearly \$55.00 for Index 100 dressed.

However, forthcoming slaughter cattle prices will have a strong bearing on hog prices during the balance of 1975, since retail pork prices will have to remain competitive with retail beef prices. Good grazing conditions in Canada will tend to support high hog prices whereas poor weather conditions would increase cattle marketings and moderate forthcoming hog prices. On the other hand, smaller summer supplies of poultry meat should have a positive influence on hog prices.

U.S. hog prices could top \$50.00 per cwt. (\$65.00 dressed) this summer at the seven markets, according to the U.S.D.A., and for the July-September quarter could average about \$46.00 (\$59.75 dressed). The seasonal increase in hog slaughter from summer to fall may be less in 1975, keeping hog prices this fall in the range of \$43-\$45 (\$55.85-\$58.45 dressed).

In the longer term, the Canadian hog producer remains in a difficult position regarding future production plans. It is doubtful that there will be a turnaround in hog slaughter before the spring of 1976. However, this reversal in marketings will be largely dependent upon future feed costs in relation to hog prices. While the supply and price outlook for hogs for the next several months appears considerably more favourable compared with a year earlier, profit will be strongly influenced by feed cost developments. If there is a good feed grain crop in 1975, feed costs are likely to fall somewhat, thus improving the profitability of hog production.

CONSUMPTION AND RETAIL PRICES OF MEAT IN CANADA

CONSUMPTION

During the 1960-71 period, the per capita consumption of all meats in Canada showed a dramatic increase--from 160 pounds in 1960 to a record of 210 pounds in 1971. This was an absolute increase of 50 pounds per person or 4.5 pounds per year. However, since 1971, total per capita consumption of all meats has remained relatively stable and in 1974 was 206 pounds per person:

TOTAL PER CAPITA CONSUMPTION OF ALL MEATS^{1/}

	1960	1965	1970	1971	1972	1973	1974
Pounds	160.1	178.7	197.5	210.0	207.2	203.1	206.0

^{1/} Includes beef, veal, pork, poultry, mutton and lamb.

Source: Statistics Canada, Ottawa.

As shown in Figure 1, the per capita consumption of beef and veal (combined) in 1974 was 98.2 pounds and with record supplies in 1975, consumption, for the first time, will exceed 100 pounds per capita, probably by five pounds or more. For 1975, pork consumption, in line with a sharp reduction in marketings, will likely drop by about four pounds or more from the 1974 rate of 59.9 pounds per person. However, increases in beef and veal consumption in 1975 should offset declines in pork, lamb, and mutton consumption. Poultry meat consumption, which in recent years has been relatively stable at about 45 pounds per capita, may show a moderate decline in 1975.

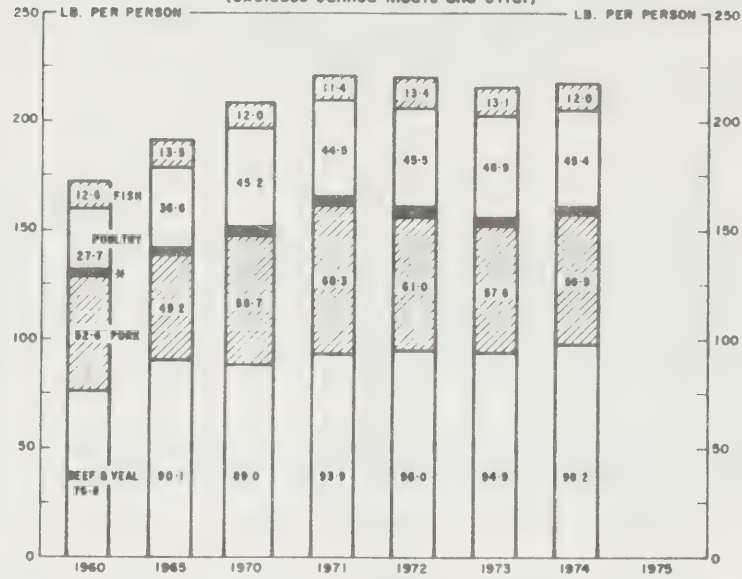
RETAIL PRICE TRENDS

While the Consumer Price Index for all food, as reported by Statistics Canada, showed a dramatic rise of 16.3 percent in 1974, the increase for all meat at 7.2 percent was substantially lower.

The rate of increase in retail food prices slowed significantly during the first four months of 1975. Much of the slow-down was due to larger beef supplies, which sharply reduced retail beef prices (Figure 2). Retail pork prices were moderately higher basically because of a sharp reduction in output while retail poultry prices since January have trended higher. Higher retail meat prices now prevail as a result of the sharp rise in cattle prices during May and increases in hog prices in late May and early June. This stronger price trend should continue through early summer.

CANADA: PER CAPITA CONSUMPTION OF MEAT, POULTRY AND FISH, 1960, 1965, 1970 TO 1974

(excludes canned meats and offal)



* Mutton and Lamb 1960=2.9; 1965=2.8; 1970=4.6; 1971=3.3; 1972=4.7; 1973=3.7; 1974=2.5

Figure 1

CANADA: RETAIL FOOD PRICE TRENDS, ALL FOOD, BEEF, PORK AND POULTRY, 1972 TO 1975

(January, 1972 = 100)



SOURCE: STATISTICS CANADA

Figure 2

By fall, red meat supplies may be expected to increase seasonally from summer levels and retail meat prices could move below summer levels. As the year progresses, supplies and thus prices will be influenced by grazing conditions and grain crop development in Canada.

APPENDIX A

FOREIGN TRADE IN PORK AND BEEF

DRESSED PORK TRADE

Canada maintained a net export position in dressed pork trade in 1974 although exports dropped and imports increased. Canada, however, became a net importer of U.S. dressed pork in 1974.

Canada's exports of dressed pork in 1974 dropped to 87.2 million pounds, 33.2 million below 1973 (Table 1). The decline was due to a drop in exports to the U.S. of 20 millions pounds and 16.3 million to Japan. Exports to all other countries combined did increase, however, in 1974.

TABLE 1. CANADA: EXPORTS AND IMPORTS OF PORK
(FRESH/FROZEN, CANNED AND PROCESSED)

	1972	Annual 1973	1974	January-March end 1974 1975		% Change 1975/74
- 000 lb. -						
<u>Pork Exports</u>						
U.S.A.	59,626	65,200	45,127	17,452	9,121	- 48
Japan	45,425	45,210	28,865	4,214	9,419	+100
Others	6,177	9,983	13,198	1,006	712	- 29
Total Exports	111,228	120,393 ¹	87,190 ¹	22,672 ¹	19,252 ¹	- 15
(000 \$)	63,741	96,808	68,853	17,458	18,315	+ 5
<u>Pork Imports</u>						
U.S.A.	33,893	42,183	62,576	3,697	22,035	+100
Denmark	6,459	5,461	2,884	1,019	-	-100
Others	1,376	2,936	2,216	846	551	- 35
Total Imports	41,728	50,580	67,676	5,562	22,586	+100
(000 \$)	18,505	32,848	44,368	3,623	16,389	+100
Trade Balance						
(000 \$)	+45,236	+63,960	+24,485	+13,835	+1,926	- 86

1/ Excludes new meat category, "Fancy Meats, Pork, Fresh or Frozen", which in 1973 = 29,333,000 lbs. worth \$10,253,000; 1974 = 40,208,000 lbs. worth \$10,841,000; to March end 1975 = 9,264,000 lbs. worth \$2,029,000.

Source: Trade of Canada, Statistics Canada.

Canada's imports of dressed pork in 1974 increased to 67.7 million pounds, 17.1 million above 1973 with all of the increase from the U.S. The switch in Canada's 1974 pork trade with the U.S. to a net import position was related to a widening price spread for slaughter hogs between the two countries, and also to the continued dressed pork exports to countries other than the U.S., some of which were previously committed under contract.

Unofficial trade figures for dressed pork published by Agriculture Canada show virtually no change in total pork exports as of May 31, 1975, although exports to the U.S. are lower. Imports to May end this year have increased sharply from January-May 1974, with all of the increase from the U.S.

CANADA	U.S.		All Countries		% Change
(million lbs.)	<u>1974</u>	<u>1975</u>	<u>1974</u>	<u>1975</u>	<u>All Countries</u>
EXPORTS	24.5	16.4	40.0	40.7	N.C.
IMPORTS	9.1	37.1	11.1	37.9	+100(+)

Source: Markets Information Services, Agriculture Canada.

The lower level of dressed pork exports to the U.S. to May end 1975 is basically due to the U.S. import quota on Canadian pork^{1/}.

LIVE SWINE TRADE

Since 1969, live swine exports from Canada, primarily to the U.S. for immediate slaughter, have increased sharply and in 1974 totalled 196,813 head (Table 2). The sharp increase in 1974 of live hog exports to the U.S. is closely related to the shutdown of major packing plants in Alberta during the summer and to increased exports from Manitoba. Canada's imports of live swine, while never large, are mainly from the U.S. and in the form of breeding stock.

TABLE 2. CANADA: EXPORTS AND IMPORTS OF LIVE HOGS, 1969 TO 1974

	1969	1970	1971	1972	1973	1974
- Number -						
<u>Exports</u>						
All Countries	16,958	88,213	88,671	88,725	90,191	196,813
To U.S.	15,786	72,758	83,668	87,445	88,324	195,727
<u>Imports</u>						
All Countries	4,762	3,881	802	954	808	675

Source: Trade of Canada, Statistics Canada.

^{1/} On November 16, 1974, the U.S. government announced import quotas on Canadian live hogs (50,000 head), dressed pork (36 million pounds), live cattle (17,000 Head), dressed beef and veal (17 million pounds), for the year August 12, 1974, to August 11, 1975.

To March end, 1975, Trade of Canada reported total live swine exports at 6,772 head (6,560 to U.S.) compared with 36,391 head (35,886 to U.S.) for the same period last year. The sharp decline in live exports is closely related to the U.S. import quota on Canadian hogs.

LIVE BEEF AND VEAL TRADE

Canada's exports of live cattle and calves for beef and veal purposes increased steadily from 1971 to 1973, reaching a peak of 347,458 head in 1973 (Table 3). In 1974, live exports dropped to 111,536 head.

The drop in 1974 exports was due largely to a depressed international beef market. Most of the reduction came from sharply lower exports to the U.S., traditionally Canada's largest export outlet. Beef prices in Canada during 1974 were higher than those in the U.S. and this discouraged exports to the U.S. There was also a drop in exports to Western Europe, from 40,000 head in 1973 to only 8,350 head in 1974.

The sharply reduced exports continue to date largely because of the U.S. import quota on live cattle from Canada established on November 16, 1974.

TABLE 3. CANADA: EXPORTS OF LIVE CATTLE AND CALVES FOR BEEF AND VEAL PURPOSES

	Annual			January-March		% Change
	1972	1973	1974	1974	1975	1975/74
<hr/>						
	- number -					
<hr/>						
<u>(Less than 200 lb.)^{1/}</u>						
U.S.	127,851	128,894	73,785	13,930	286	-98
All Countries	144,367	161,728	81,897	16,715	300	-98
<hr/>						
<u>(200-700 lb.)</u>						
U.S.	58,688	127,831	14,628	10,923	191	098
All Countries	60,604	134,610	15,054	10,927	197	-98
<hr/>						
<u>(Over 700 lb.)</u>						
U.S.	18,844	49,005	14,305	5,215	560	-89
All Countries	19,659	51,120	14,585	5,284	615	-88
<hr/>						
<u>(Total)</u>						
U.S.	205,383	305,730	102,718	30,068	1,037	-97
All Countries	224,630	347,458	111,536	32,926	1,112	-97

^{1/} Includes new export category "Cattle Dairy NES, less than 200 lb".

Source: Trade of Canada, Statistics Canada.

Canada's imports of cattle and calves for beef and veal purposes are primarily cattle from the U.S. for immediate slaughter (Table 4). This trade has increased dramatically since 1969, reaching a peak of 214,623 head in 1973, and then dropping to 126,523 head in 1974. In the first three months of 1975, imports from the U.S. totalled 48,820 head, compared with 65,155 head for the same period in 1974. (See footnote A, at the end of this section, re Canada's global import quotas on live beef cattle and dressed beef and veal).

TABLE 4. IMPORTS OF LIVE CATTLE (PRIMARILY FOR SLAUGHTER PURPOSES) 1969 TO 1974

	1969	1970	1971	1972	1973	1974
- Number -						
From U.S.	2,164	46,596	84,327	66,498	214,623	126,523

Source: Trade of Canada, Statistics Canada.

DRESSED BEEF AND VEAL TRADE

Canada's exports of dressed beef and veal dropped in 1974 to 41.6 million pounds, 24.4 million pounds below 1973 (Table 5). This decrease primarily to the U.S. was related to a depressed boneless beef market in the U.S. due to a sharp increase in non-fed cattle slaughter, especially cows.

Canada's imports of dressed beef and veal also dropped in 1974 to 120.1 million pounds, 36.8 million pounds below 1973. There were several reasons for this decrease: a sharp increase in female slaughter, the basic domestic source of boneless beef; DES controls at the U.S. border, and import quotas after August 1974.

As of May 31, 1975, unofficial trade data from Agriculture Canada shows both exports and imports below the same five months in 1974:

CANADA	U.S		All Countries ^{1/}		% Change
(million lbs.)	<u>1974</u>	<u>1975</u>	<u>1974</u>	<u>1975</u>	<u>All Countries</u>
EXPORTS	16.3	3.9	19.0	7.1	-68
IMPORTS	12.6	7.9	62.3	57.2	- 8

^{1/} These figures include beef and veal, fresh or frozen, cured, and canned.

Source: Markets Information Services, Agriculture Canada.

TABLE 5. CANADA: DRESSED BEEF AND VEAL TRADE^{1/}

TABLE 3: CANADA: DRESSED BEEF AND VEAL TRADE—							
	Exports from Canada			Imports to Canada			Canada's Trade Balance (All Countries)
	U.S.	Other	Total	Oceanic	U.S.	Total	
- thousand pounds -							
1968	47,482	6,265	53,747	17,301	16,479	33,866 ^{2/}	+19,881
1969	45,910	4,953	50,863	91,391	14,206	105,597 ^{2/}	-54,734
1970	83,548	6,671	90,219	108,119	15,453	123,573 ^{2/}	-33,354
1971	80,354	6,621	86,975	85,929	29,697	115,636	-28,662
1972	58,841	8,800	67,641	106,215	38,328	144,542	-76,901
1973	56,489	9,463	65,952	114,662	42,518	157,180	-91,228
1974	36,366	5,187	41,553	100,662	19,739	120,401	-78,848
To March end							
1974	11,884	1,957	13,841	25,663	9,544	35,207	-21,366
1975	1,944	1,613	3,557	26,503	5,898	32,539	-28,982
% Change	-83.6	-17.6	-74.3	+ 3.3	-38.2	- 7.6	

1/ Includes fresh or frozen, cured; excludes imports of canned beef which totalled 13.3 million pounds in 1972, 10.0 million pounds in 1973, 9.2 million pounds in 1974 and for 1968-71 averaged 10.7 million pounds. Excludes fancy meats and edible offal, beef, not reported separately prior to 1973.

2/ Excludes imported beef for re-export from Oceanic countries which amounted to an estimated 20.5 million pounds in 1970 and 12.8 million pounds in 1969. These re-exports are included in official Canadian import statistics but are excluded in official export data.

Source: Trade of Canada, Statistics Canada.

A/ The Canadian Government announced a global import quota effective August 12, 1974 to August 11, 1975 of 82,835 head of live beef cattle and 125.8 million pounds of fresh and frozen beef and veal equivalent to the preceding five-year average of imports. The quota is established on a quarterly basis with each quarter not to exceed 30 percent of the annual quota.

APPENDIX B

QUARTERLY FORECAST OF HOG MARKETINGS

This forecast of hog slaughter at inspected and approved plants is based upon past relationships between the Statistics Canada estimates of hog numbers and farrowing intentions, and subsequent hog gradings.

ESTIMATED MARKETINGS FOR MARCH 30 TO JUNE 28, 1975

Province or Region	Actual	000's	Estimated	000's	% change from previous year
	1974	Average	1975	Average	
	Total 6 months	per week	Total 6 months	per week	
Maritimes	81.4	6.3	73.3	5.7	- 10
Quebec	593.5	45.6	593.5	45.6	n.c.
Ontario	693.0	53.3	644.5	49.6	- 7
TOTAL EAST	1,367.9	105.2	1,311.3	100.9	- 4
Manitoba	280.3	21.5	246.7	19.0	- 12
Saskatchewan	309.0	23.8	170.0	13.1	- 45
Alberta	400.0	30.8	320.0	24.6	- 20
British Columbia	17.1	1.3	18.5	1.4	+ 8
TOTAL WEST	1,006.4	77.4	755.2	58.1	- 25
CANADA	2,374.3	182.6	2,066.5	159.0	- 13

ESTIMATED MARKETINGS FOR JUNE 29 TO SEPTEMBER 27, 1975

Maritimes	71.2	5.5	65.5	5.0	- 8
Quebec	533.2	41.0	495.9	38.1	- 7
Ontario	640.9	49.3	583.2	44.9	- 9
TOTAL EAST	1,245.3	95.8	1,144.6	88.0	- 8
Manitoba	288.9	22.2	236.9	18.2	- 18
Saskatchewan	218.0	16.8	148.2	11.4	- 32
Alberta	406.3	31.2	300.7	23.2	- 26
British Columbia	17.8	1.4	18.2	1.4	+ 2
TOTAL WEST	931.0	71.6	704.0	54.2	- 24
CANADA	2,176.3	167.4	1,848.6	142.2	- 15

ESTIMATED MARKETINGS FOR SEPTEMBER 28 TO MARCH 27, 1976

Province or Region	Actual	000's	Estimated	000's	% change from previous year
	1974-75	Average	1975-76	Average	
	Total 6 months	per week	Total 6 months	per week	
Maritimes	148.1	5.7	145.1	5.6	- 2
Quebec	1,217.8	46.8	1,181.3	45.4	- 3
Ontario	1,351.7	52.0	1,324.7	50.9	- 2
TOTAL EAST	2,717.6	104.5	2,651.1	101.9	- 2
Manitoba	532.4	20.5	495.1	19.0	- 7
Saskatchewan	380.4	14.6	346.2	13.3	- 9
Alberta	717.7	27.6	631.6	24.3	- 12
British Columbia	38.1	1.5	40.0	1.5	+ 5
TOTAL WEST	1,668.6	64.2	1,512.9	58.1	- 9
CANADA	4,386.2	168.7	4,164.0	160.0	- 5

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